

## SALES TAX REVENUE PAYERS BY BUSINESS GROUP

Fiscal Years 1998 and 2005

Table 9

	2005		1998	
	Tax Liability	Percentage of Total	Tax Liability	Percentage of Total
General merchandise.....	\$ 987,088,322	20.35%	\$ 625,352,352	19.33%
Food.....	725,611,884	14.96%	740,721,893	22.90%
Utilities.....	669,470,423	13.80%	351,593,637	10.87%
Lumber & building material.....	594,458,884	12.25%	342,385,447	10.59%
Automotive.....	254,507,573	5.25%	182,729,329	5.65%
Furniture.....	181,087,138	3.73%	142,354,550	4.40%
Apparel.....	142,766,762	2.94%	100,886,318	3.12%
Farming.....	46,272,351	0.95%	54,697,552	1.69%
Unclassified.....	1,249,760,813	25.77%	693,807,982	21.45%
Total.....	<u>\$ 4,851,024,150</u>	100.00%	<u>\$ 3,234,529,060</u>	100.00%
General state sales tax rate.....	4.5%		4.0%	

Information prior to 1998 is not available.

## Recent Significant Sales Tax Rate and Base Changes

1998-99	Effective July 1, 1998, the State rate applicable to food purchased for home consumption was reduced from 3% to 2%. Effective May 1, 1999, food purchased for home consumption was exempted from the State sales tax.
1999-00	Effective July 1, 1999, sales of piped natural gas became exempt from sales tax and, instead, became subject to the piped natural gas excise tax.
2001-02	Effective October 16, 2001, the general sales rate increased from 4% to 4.5%. Effective December 1, 2001, sales of spirituous liquor, other than mixed beverages, became subject to a 6% State sales and use tax. Effective January 1, 2002, gross receipts of direct-to-home satellite service to subscribers in this State became subject to a 5% State sales tax. Effective January 1, 2002, gross receipts derived from providing telecommunications services became subject to a 6% State sales and use tax. [Prior to the law change, local telecommunications services were subject to a 3% State sales tax rate and a 3.22% utility franchise tax rate; interstate long distance calls were taxed at 6.5% and interstate long distance calls were exempt.]
2003-04	Effective July 1, 2003, all sales of soft drinks became subject to both the State and local rates. Effective January 1, 2004, sales of closed container soft drinks sold through vending machines were taxed on only 50% of the sale price. Effective January 1, 2004, candy was exempted from the State tax and subject to only the 2% local tax. Effective for sales made on or after January 1, 2004, modular homes became subject to a 2.5% State sales and use tax rate.
2005-06	Effective October 1, 2005, all sales of candy became subject to the combined general State and county tax rate. Effective October 1, 2005, the sales and use tax imposed on telecommunications, direct-to-home satellite services, and spirituous liquor increased to 7%. Effective January 1, 2006, a 7% State sales and use tax was imposed on cable services, and satellite digital audio radio became subject to both the State general rate of tax and local rates.

Source: North Carolina Department of Revenue